

DOCKET NO. 2017-147-C

Application of Uniti Fiber LLC)
for a Certificate of Public Convenience)
and Necessity to Provide Resold and)
Facilities-Based Local Exchange and)
Interexchange Telecommunications)
Services in the State of South Carolina,)
and for Alternative and Flexible Regulation)
And)
for Authority to Merge Tower Cloud, Inc.)
with and into Uniti Fiber, LLC, with Uniti)
Fiber, LLC Surviving)

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Jeffrey R. Strenkowski. My business address is 10802 Executive Center

3 Drive, Suite 300, Little Rock, Arkansas, 72211.

4 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

5 **A.** I am Vice President and Deputy General Counsel of Governmental Affairs at Uniti Group

6 Inc. (“Uniti Group”), which is the corporate parent of both Uniti Fiber LLC (“Uniti

7 Fiber”) and Tower Cloud, Inc. (“Tower Cloud”).

8 **Q. PLEASE BRIEFLY OUTLINE YOUR BACKGROUND.**

9 **A.** I joined Uniti Group in May 2017, and have the responsibility for managing the

10 regulatory and governmental affairs for the company and its subsidiaries, including Uniti

1 Fiber and Tower Cloud. Prior to joining Uniti Group, I served as the company's outside
2 counsel for telecommunications regulatory affairs while employed as an attorney in the
3 Telecommunications, Media and Technology practice group at Morgan Lewis & Bockius
4 LLP in Washington, DC. In that capacity I represented U.S. and foreign communications
5 and technology companies, including Uniti Group and its subsidiaries, on a broad range
6 of corporate, financial and regulatory matters. I advised carriers, Internet content
7 providers, application developers, and other clients on a wide range of state, federal and
8 international regulatory, privacy, data security, data retention, and consumer protection
9 matters. I received my bachelor of arts degree from the University of Maryland in 1999,
10 and my law degree from American University, Washington College of Law in 2002. I
11 have been actively employed in private practice on a full-time basis since receiving my
12 law degree, until moving to Uniti Group in my current position in May 2017.

13 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING HERE TODAY AND WHAT IS**
14 **THE PURPOSE OF YOUR TESTIMONY?**

15 **A.** I am testifying on behalf of Uniti Fiber and Tower Cloud (together, the "Applicants").
16 Through their joint Application, the Applicants seek: 1) authority for Uniti Fiber to
17 provide facilities-based and resold local exchange and interexchange services in South
18 Carolina, and 2) authority for Tower Cloud to merge with and into Uniti Fiber, with Uniti
19 Fiber surviving. As such, the purpose of my testimony is to present evidence describing
20 the technical, managerial and financial fitness of Uniti Fiber to provide these services
21 within the State of South Carolina, as well as to describe the benefits of the merger of
22 Tower Cloud with and into Uniti Fiber.

1 **Q. ARE ALL THE STATEMENTS IN THE APPLICATION CORRECT AND TRUE**
2 **TO THE BEST OF YOUR KNOWLEDGE, INFORMATION, AND BELIEF?**

3 A. Yes.

4 **Q. DO YOU WISH TO INCORPORATE BY REFERENCE ANY DOCUMENTS**
5 **INTO THIS TESTIMONY?**

6 A. Yes. I wish to incorporate, by reference, Uniti Fiber's and Tower Cloud's underlying
7 Application filed in this proceeding and its associated exhibits.

8 **Q. PLEASE GIVE A BRIEF OVERVIEW OF UNITI GROUP AND THE**
9 **APPLICANTS.**

10 A. Uniti Group is a public company (NASDAQ: UNIT) organized under the laws of the
11 State of Maryland, and is headquartered in Little Rock, Arkansas. The company is a real
12 estate investment trust ("REIT") that does not provide telecommunications services itself
13 but engages in the acquisition and construction of infrastructure in the communications
14 industry. Uniti Group is the parent company of Uniti Fiber (formerly known as PEG
15 Bandwidth LLC), and Tower Cloud, both of which Uniti Group acquired in 2016.
16 Uniti Fiber is a Delaware limited liability company formed on February 4, 2010. The
17 company changed its name from PEG Bandwidth, LLC to Uniti Fiber-PEG LLC on
18 October 28, 2016, and then to Uniti Fiber LLC on March 6, 2017. A copy of its formation
19 documents and evidence of name changes were attached to the Application as Exhibit A.
20 Attached as Exhibit B to the Application is a copy of Uniti Fiber's Certificate of
21 Authority to Transact Business as a foreign corporation in South Carolina.
22 Uniti Fiber is currently authorized to provide intrastate telecommunications service in
23 Ohio and Wisconsin. Uniti Fiber is the parent of several subsidiaries that are also

1 authorized to provide telecommunications services in a number of states including
2 Alabama, Louisiana, Mississippi, District of Columbia, Delaware, Iowa, Illinois, Indiana,
3 Kentucky, Missouri, Massachusetts, Maryland, West Virginia, New Jersey, New York,
4 Pennsylvania, Texas and Virginia. Uniti Fiber and its subsidiaries are also authorized to
5 provide interstate and international telecommunications services by the Federal
6 Communications Commission.

7 The Commission granted Tower Cloud a certificate of public convenience and necessity
8 to provide resold and facilities based interexchange services in South Carolina on August
9 27, 2010 by Order No. 2010-592 issued in Docket No. 2010-172-C.

10 **Q. WHAT IS THE PURPOSE OF THE APPLICATION?**

11 **A.** The Application was filed in support of a series of planned *pro forma* intra-company
12 transactions whereby Tower Cloud will merge with and into Uniti Fiber, with Uniti Fiber
13 surviving (the “Transaction”). The Transaction is being undertaken to consolidate and
14 streamline operations among several businesses owned by Uniti Group into a single
15 unified and rebranded operating entity: Uniti Fiber. As part of the Transaction, the
16 Applicants intend to move all existing customers and operations into Uniti Fiber. As
17 such, the Applicants hereby request approval for the issuance of operating authority to
18 Uniti Fiber, and for authority to undertake the Transaction, in order to continue to
19 manage the network and services in South Carolina currently undertaken by Tower
20 Cloud. Following the transaction, Applicants will make appropriate filings with the
21 Commission to cancel Tower Cloud's existing certificate.

1 **Q. PLEASE DESCRIBE THE SERVICES UNITI FIBER PROPOSES TO OFFER IN**
2 **SOUTH CAROLINA.**

3 **A.** Uniti Fiber seeks authority to provide facilities-based and resold local exchange,
4 exchange access, and interexchange telecommunications services in South Carolina.
5 Uniti Fiber will offer interexchange telecommunications statewide. To the extent Uniti
6 Fiber provides switched local exchange services, it will initially do so in the areas served
7 by AT&T and does not plan to provide service in areas of any small or rural local
8 exchange carriers. However, Uniti Fiber does seek authority to provide local exchange
9 services in all areas that are currently open, or become open in the future, to competition
10 so that it may expand into other services as market conditions warrant.

11 Uniti Fiber's current business is building communications solutions for enterprise and
12 carrier customers individually for each projects' needs. Uniti Fiber will primarily provide
13 Dark Fiber, Private Line, Ethernet, Wavelength, Dedicated Internet Access and
14 Collocation services to wholesale (e.g., other carriers), and customers in government,
15 health care, education, financial services, and other large enterprises. It will primarily
16 provide services using its own facilities and facilities leased from other carriers, but also
17 seeks authority to provide service for resale. Uniti Fiber does not intend to initially offer
18 voice services, but seeks authority to do so, should Uniti Fiber decide to expand its
19 services as market conditions dictate. To the extent Uniti Fiber provides voice telephone
20 services in the future, Uniti Fiber intends to use the existing local exchange boundaries
21 and established local calling scope of the incumbent local exchange carriers in South
22 Carolina. Uniti Fiber will perform network and equipment maintenance necessary to
23 ensure compliance with any quality of service requirements. Uniti Fiber will comply with

1 all applicable Commission rules, regulations and standards, and will provide safe, reliable
2 and high quality telecommunications services in South Carolina. Uniti Fiber has not yet
3 entered into or requested interconnection/resale agreements in South Carolina as such
4 agreements are generally not required to provide the services it will initially offer as
5 described above. Uniti Fiber, however, will assign Tower Cloud's interconnection and
6 other relevant carrier agreements to Uniti Fiber in connection with the Transaction. Uniti
7 Fiber's proposed tariff, setting forth the terms, conditions, rates, charges and regulations
8 pursuant to which Uniti Fiber proposes to provide regulated telecommunications service
9 is provided in the Application as Exhibit C.

10 **Q. DOES UNITI FIBER INTEND TO OFFER PREPAID DEBIT CARD SERVICES**
11 **OR RETAIL RESIDENTIAL LOCAL EXCHANGE SERVICES IN SOUTH**
12 **CAROLINA?**

13 A. Not at this time. Uniti Fiber is aware of the Commission's \$5,000 bond or certificate of
14 deposit requirement associated with prepaid debit card services, as well as the bond
15 requirements of S.C. Code Ann. Regs. 103-607, and will file any such required
16 instrument with the Commission (or seek an appropriate waiver) should Uniti Fiber
17 decide to offer these services in the future.

18 **Q. HOW WILL UNITI FIBER BILL FOR ITS SERVICES?**

19 A. Uniti Fiber's customers will be billed according to individual case basis contracts
20 negotiated with each customer.

1 **Q. HOW ARE TROUBLE REPORTS AND CUSTOMER COMPLAINTS**
2 **HANDLED?**

3 A. Uniti Fiber has a toll-free number available for its customers: 1-888-734-8100.
4 Customers may contact Uniti Fiber 24 hours per day, seven days a week.

5 **Q. DOES UNITI FIBER POSSESS SUFFICIENT TECHNICAL AND**
6 **MANAGERIAL RESOURCES TO PROVIDE THE SERVICES FOR WHICH IT**
7 **REQUESTS AUTHORITY?**

8 A. Yes. Uniti Fiber possesses sufficient technical and managerial resources to provide the
9 services for which it requests authority. Uniti Fiber's key management and technical
10 personnel have significant business and telecommunications experience. Much of its
11 management comes from PEG Bandwidth (renamed as Uniti Fiber) and Tower Cloud,
12 both of which are companies with significant experience in the U.S. telecommunications
13 market. Biographies for Uniti Fiber's key management team are provided as Exhibit E to
14 the Application. The management team is backed by a number of other professionals,
15 many of which also have dozens of years of experience in the telecommunications
16 industry.

17 **Q. DOES UNITI FIBER POSSESS SUFFICIENT FINANCIAL RESOURCES TO**
18 **PROVIDE THE PROPOSED SERVICES FOR WHICH IT REQUESTS**
19 **AUTHORITY?**

20 A. Yes, Uniti Fiber possesses sufficient financial resources to provide the proposed services.
21 In support of the Company's financial ability to provide the proposed services, Uniti
22 Fiber provided the consolidated financial statements of its parent company, Uniti Group,

as Exhibit D to the Application. The financial statements demonstrate that Uniti Fiber has the financial resources necessary to provide services in South Carolina.

Q. WILL GRANTING THE APPLICATION SERVE THE PUBLIC INTEREST?

A. Yes. The public interest of the citizens of South Carolina will be served by granting the Application. First, Uniti Fiber will enhance competition in the State of South Carolina by offering additional service options and high service quality to South Carolina telecommunications users. Second, by approving the merger of Tower Cloud into Uniti Fiber, the Commission will enable the companies to integrate these businesses into a single, combined entity that will not only continue to operate the existing Tower Cloud business in South Carolina, but expand upon that existing business as a stronger competitor.

Q. WILL THE SERVICE PROVIDED BY UNITI FIBER MEET ALL SERVICE STANDARDS THAT THE COMMISSION MAY ADOPT?

A. Yes, it will.

Q. WILL THE PROVISION OF SERVICE BY UNITI FIBER ADVERSELY IMPACT THE AVAILABILITY OF AFFORDABLE LOCAL EXCHANGE SERVICE IN SOUTH CAROLINA?

A. No. The service provided by Uniti Fiber will not adversely impact the availability of affordable local exchange service in South Carolina. Uniti Fiber will continue to manage Tower Cloud's existing fiber backhaul network and services, and will expand its business as opportunities warrant.

1 **Q. WILL UNITI FIBER PARTICIPATE IN THE SUPPORT OF UNIVERSALLY**
2 **AVAILABLE TELECOMMUNICATIONS SERVICE AT AFFORDABLE**
3 **RATES?**

4 **A.** Yes. To the extent that Uniti Fiber provides services subject to universal service and
5 related requirements in South Carolina, it will participate in the support of universally
6 available telecommunications services at affordable rates.

7 **Q. IS UNITI FIBER REQUESTING FLEXIBLE REGULATION AND**
8 **ALTERNATIVE TREATMENT OF ITS LOCAL EXCHANGE SERVICE**
9 **OFFERINGS?**

10 **A.** Yes. Uniti Fiber respectfully requests that its local service offerings be regulated in accordance
11 with procedures outlined in Order No. 98-165 in Docket No. 97-467-C. Uniti Fiber requests that
12 all of its business service offerings be regulated pursuant to the procedures described and set out
13 in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by
14 Commission Order No. 2001-997 in Docket No. 2000-407-C. It is Uniti Fiber's intent by this
15 request to have its business services regulated in the same manner as this Commission has
16 permitted for AT&T Communications of the Southern States, Inc. ("AT&T"). Specifically, Uniti
17 Fiber requests that the Commission: a. remove the maximum rate tariff requirements for its
18 business services, private line, and customer network-type offerings; b. presume that the tariff
19 filings for these uncapped services be valid upon filing (subject to any instance where the
20 Commission institutes an investigation of a particular filing within seven (7) days, in which case
21 the tariff filing would be suspended until further order of the Commission); and c. grant Uniti
22 Fiber the same treatment as AT&T in connection with any future relaxation of the Commission's
23 reporting requirements.

1 **Q. DOES UNITI FIBER SEEK ANY WAIVERS IN CONNECTION WITH THIS**
2 **APPLICATION?**

3 **A.** Yes. Uniti Fiber requests that, pursuant to 10 S.C. Reg. 103-601(3), the Commission waive the
4 following Commission Rules: 1) 10 S.C. Reg. 10-3-610: Uniti Fiber requests a waiver of the
5 requirement in Rule 103-610 that all records required under the rules be kept within the State.
6 Uniti Fiber maintains its records at its principal offices in its operational headquarters at 950 I
7 International Court North, St. Petersburg, FL 33716. As such, maintaining a separate set of books
8 and records in South Carolina for Uniti Fiber's South Carolina operations would be unduly costly
9 and burdensome. All such books and records shall be provided to the Commission Staff or the
10 Office of Regulatory Staff ("ORS") in a timely manner upon request, and will also make those
11 books and records available to the Commission Staff or the ORS its offices in Florida; 2) 10 S.C.
12 Reg. 103-611: Uniti Fiber requests that it be exempt from any recordkeeping rules or regulations
13 that might require a carrier to maintain its financial records in conformity with the Uniform
14 System of Accounts ("USOA"). The USOA was developed by the FCC as a means of regulating
15 telecommunications companies subject to rate base regulation. As a competitive carrier, Uniti
16 Fiber will not be subject to rate base regulation and therefore should not be subject to USOA
17 requirements. Uniti fiber maintains its books in accordance with Generally Accepted Accounting
18 Principles ("GAAP").

19 **Q. WHAT ACTION ARE YOU ASKING THE COMMISSION TO TAKE IN**
20 **REGARD TO THE APPLICATION?**

21 **A.** The Applicants respectfully request that the Commission approve the Application for a
22 Certificate of Public Convenience and Necessity to permit Uniti Fiber to provide local
23 exchange and interexchange telecommunications service in the State of South Carolina,
24 as described herein and in the Application in this matter, including Exhibits, which is
25 incorporated herein by reference, and grant flexible and alternative regulation for those

1 services as described above. Applicants also request approval of the Application to
2 consummate the Transaction as discussed herein and the Application, which will result in
3 the merger of Tower Cloud into Uniti Fiber, with Uniti Fiber surviving.

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A.** Yes, it does.